

MARYLAND

Department of Human Resources

Theodore Dallas, Secretary

ESTIMATED MINIMUM LIVING LEVELS for TEMPORARY CASH ASSISTANCE CUSTOMERS

Updated Through
FISCAL YEAR 2014

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ESTIMATED MINIMUM LIVING LEVEL

Fiscal Year 2014 Update

Background

In 1979, the Governor's Commission on Welfare Grants proposed that the estimated monthly Minimum Living Level for recipients of Aid to Families with Dependent Children (AFDC) be increased from \$314 per month to \$600 per month for a family of four persons. To be consistent with the average of 2.7 persons per household in 1995, the Minimum Living Level data was recalculated in Fiscal Year (FY) 1995 to convert the standard household from four persons to three persons.

The AFDC program was discontinued in FY 1997 and replaced by the Temporary Cash Assistance (**TCA**) program. The formats for preparing the Minimum Living Level have not changed. The Minimum Living Level represents the minimal standard of living for a family in Maryland whose only source of financial income is Public Assistance. The Minimum Living Level is not identical to either the *Poverty Threshold Level* developed by the Department of Commerce, Bureau of Census or the *Poverty Guidelines* published in the Federal Register by the Department of Health and Human Services. The HHS Poverty Guidelines are used for the graphic comparison (Table 5) of maximum program benefits, the MLL and an estimate for the national poverty level for FY 2014.

Senate Joint Resolution 34, enacted by the General Assembly in 1980, requires the Department of Human Resources to use the Commission's "findings, updated annually, as a basis for evaluating budgetary requirements for the various public assistance programs." This document updates the Minimum Living Level to include FY 2014. The standard recommended by the Governor's Commission for FY1980 was based on actual costs for July 1979. Updates for the proposed Minimum Living Level have been completed annually, except for FY 1981.

Methodology

The Maryland Minimum Living Level for FY 2014 is based upon nine components of a family budget, as recommended by the Governor's Commission on Welfare Grants. All costs are projected to June 2014, using the Consumer Price Indices for All Urban Consumers (CPI-U) in the Monthly Labor Review, distributed by the U.S. Department of Labor, Bureau of Labor Statistics.

The estimated Minimum Living Level has been updated 31 times since the original Governor's Commission Report. The Consumer Price Indices' reference years have been changed within the period of Minimum Living Level updates. For the years 1979 through 1988, the CPI-U used 1967 as the base year. Effective January 1988, the base was changed to calendar years 1982-84.

For this FY 2014 update, the percentage increases of the CPI-U components are projected through June 2014. The projected percentage increases are applied to the nine elements from the FY 2013 Minimum Living Level.

TABLE 1 and TABLE 2

Minimum Living Level: TCA Household of Three

Table 1 presents the FY 1980 - FY 2014 Minimum Living Level estimates for a TCA Household of Three.

Table 2 presents the component values of the FY 1984 - FY 2014 Minimum Living Level estimates.

TABLE 1

**MINIMUM LIVING LEVELS
TEMPORARY CASH ASSISTANCE**

SOURCE	Fiscal Year	TOTAL
Governor's Commission Report (FAMILY OF FOUR)	FY '80	\$600
Commission Report - Prorated (FAMILY OF THREE)	FY '80	\$504
Updated Minimum Living Level	FY '81	---
Updated Minimum Living Level	FY '82	\$585
Updated Minimum Living Level	FY '84	\$631
Updated Minimum Living Level	FY '85	\$659
Updated Minimum Living Level	FY '86	\$685
Updated Minimum Living Level	FY '87	\$704
Updated Minimum Living Level	FY '88	\$728
Updated Minimum Living Level	FY '89	\$761
Updated Minimum Living Level	FY '90	\$798
Updated Minimum Living Level	FY '91	\$852
Updated Minimum Living Level	FY '92	\$867
Updated Minimum Living Level	FY '93	\$987
Updated Minimum Living Level	FY '94	\$1,007
Updated Minimum Living Level	FY '95	\$1,079
Updated Minimum Living Level	FY '96	\$1,107
Updated Minimum Living Level	FY '97	\$1,134
Updated Minimum Living Level	FY '98	\$1,163
Updated Minimum Living Level	FY '99	\$1,194
Updated Minimum Living Level	FY '00	\$1,232
Updated Minimum Living Level	FY '01	\$1,278
Updated Minimum Living Level	FY '02	\$1,356
Updated Minimum Living Level	FY '03	\$1,374
Updated Minimum Living Level	FY '04	\$1,406
Updated Minimum Living Level	FY '05	\$1,460
Updated Minimum Living Level	FY '06	\$1,517
Updated Minimum Living Level	FY '07	\$1,569
Updated Minimum Living Level	FY '08	\$1,624
Updated Minimum Living Level	FY '09	\$1,700
Updated Minimum Living Level	FY '10	\$1,708
Updated Minimum Living Level	FY '11	\$1,726
Updated Minimum Living Level	FY '12	\$1,773
Updated Minimum Living Level	FY '12	\$1,773
Updated Minimum Living Level	FY 13	\$1,806
Updated Minimum Living Level	FY 2014	\$1,837

TABLE 2

COMPONENTS of MINIMUM LIVING LEVELS
for a TEMPORARY CASH ASSISTANCE HOUSEHOLD of THREE

Fiscal Year	TOTAL \$	Food	Contract Rent	Utility	H'Hold Furnishing	Clothing and Cleaning	Personal Care	Transport	Other Family Consump	Medical Care [One Adult]
FY '84	631	213	172	54	57	64	25	19	13	13
FY '86	685	228	194	57	59	67	27	24	15	15
FY '88	728	244	212	55	60	71	29	24	17	17
FY '90	798	274	230	58	62	76	33	26	20	19
FY '92	867	281	261	63	65	75	34	42	24	23
FY '94	1,007	311	312	71	71	87	39	55	33	29
FY '96	1,107	310	359	78	81	85	39	91	33	31
FY '98	1,163	329	383	81	84	83	41	91	37	34
FY '00	1,232	353	413	83	85	84	44	91	42	37
FY '02	1,356	369	445	145	86	85	47	93	45	41
FY '04	1,406	382	480	141	86	81	49	96	46	45
FY '06	1,517	411	521	164	86	83	51	104	48	49
FY '07	1,569	420	528	184	87	83	52	114	50	51
FY '08	1,624	436	552	191	87	83	54	116	52	53
FY '09	1,700	457	571	212	87	83	54	125	54	55
FY '10	1,708	470	590	199	88	84	57	107	56	57
FY '11	1,726	473	586	205	86	83	57	118	57	59
FY '12	1,773	489	592	212	85	84	58	134	58	61
FY '13	1,806	503	606	209	85	88	59	134	59	61
FY 2014	\$1,837	\$510	\$620	\$217	\$85	\$88	\$60	\$133	\$60	\$64

TABLE 3 and TABLE 4

FY 2014 Minimum Living Levels for Various Household Sizes and Household Compositions

Table 3 summarizes the FY 2014 Minimum Living Levels (MLL) for various Household Sizes and Compositions. The child-only standards have been adjusted to exclude adult dental care and prorated shelter costs. The calculation is: 33% of the three-person MLL ($\$1,837 / 3 = \612.3) minus the adult dental (\$12) minus 33% of Rent/Utilities ($\$836 / 3 = \278.7). This equals **\$321.5**. This is increased by the average of the Rent/Utilities increments between 2 to 3, 3 to 4, 4 to 5, 5 to 6 and 6 to 7 person households. This equals \$91.5.

For the child-only cases, the estimate per child equals **\$415.4**, ($\$321.5 + \93.9). For the parent-headed cases, the estimate for each additional child beyond a seven-person family is the difference between the six- and seven-person families, **\$305**.

Table 4 presents the values for the nine components of the FY 2014 MLL. The household sizes are one person through seven persons. **The baseline is the three-person household.** The component values for all other household sizes are calculated against the three-person household. Fractions of dollars within the components are not displayed, but they are carried in the calculations. Totals are rounded to the nearest dollar.

TABLE 3

Minimum Living Levels (MLL) for various Household Sizes and Compositions.

Household Size	Parent Headed Family
1	\$1,034
2	\$1,400
3	\$1,837
4	\$2,187
5	\$2,549
6	\$2,965
7	\$3,270
Each Addt'l	\$305

TABLE 4

**COMPONENTS OF FY 2014 MINIMUM LIVING LEVELS
for VARIOUS HOUSEHOLD SIZES**

Household Size	TOTAL (In \$)	Food	Contract Rent	Utility	House Hold Furnishing	Clothing and Cleaning	Personal Care	Transport	Other Family Consump	Medical Care [One Adult]
1	\$1,034 56%	194 38%	471 76%	165 76%	65 76%	29 33%	23 38%	44 33%	20 33%	21 33%
2	1,400 76%	356 70%	518 84%	181 84%	71 84%	59 67%	42 71%	89 67%	40 67%	43 67%
<u>3</u>	<u>\$1,837</u> 100%	<u>\$510</u> 100%	<u>\$620</u> 100%	<u>\$217</u> 100%	<u>\$85</u> 100%	<u>\$88</u> 100%	<u>\$60</u> 100%	<u>\$133</u> 100%	<u>\$60</u> 100%	<u>\$64</u> 100%
4	2,187 119%	648 127%	673 109%	236 109%	93 109%	118 133%	77 128%	178 133%	80 133%	86 133%
5	2,549 139%	769 151%	747 121%	262 121%	103 121%	147 167%	91 153%	222 167%	100 167%	107 167%
6	2,965 161%	923 181%	835 135%	292 135%	115 135%	176 200%	109 182%	267 200%	120 200%	129 200%
7	\$3,270 178%	1,020 200%	889 143%	311 143%	122 143%	206 233%	121 203%	311 233%	140 233%	150 233%

Derivation of Costs for Minimum Living Level Three-Person Household

Food: \$510 -

CPI Detailed Report Data for May 2013 CPI-U Component, Food and Beverages. (Page 24)

<http://www.bls.gov/cpi/cpid1205.pdf>

Contract Rent: \$620 -

CPI Detailed Report Data for May 2013 CPI-U Shelter Component, (Page 24) <http://www.bls.gov/cpi/cpid1205.pdf>

Utility: \$217 -

CPI Detailed Report Data for May 2013 CPI-U Fuels And Utilities Component, (Page 24)

<http://www.bls.gov/cpi/cpid1205.pdf>

Household Furnishings: \$85 -

Monthly Labor Review - CPI-U Component, Household Furnishings and Operations. (Page 24)

<http://www.bls.gov/cpi/cpid1205.pdf>

Clothing/Cleaning: \$88 -

CPI Detailed Report Data for May 2013 CPI-U Apperal Component. (Page 24) <http://www.bls.gov/cpi/cpid1205.pdf>

Personal Care: \$60 -

CPI Detailed Report Data for May 2013 CPI-U Personal Care Component. (Page 25)

<http://www.bls.gov/cpi/cpid1205.pdf>

Transportation: \$133 -

CPI Detailed Report Data for May 2013 CPI-U Transportation Component. (Page 24)

<http://www.bls.gov/cpi/cpid1205.pdf>

Other Family Consumption: \$60 -

Monthly Labor Review - CPI-U Education and Communication Component. (Page 25)

<http://www.bls.gov/cpi/cpid1205.pdf>

Medical Care: \$64 -

Monthly Labor Review - CPI-U Medical Care Component. (Page 24) <http://www.bls.gov/cpi/cpid1205.pdf>

TABLE 5

TCA & FSP MAXIMUM GRANTS, FFY 2014

In Federal Fiscal Year (FFY) 2014, which begins October 2013, the combined maximum TCA & FSP grants will increase to **\$1,121**. Together, the maximum grants equal **61.0%** of the **FY 2014 MLL**, which is **\$1,837**.

The maximum Food Supplement Program benefit for a household of 3 persons will be reduced to **\$497** for FY 2014.

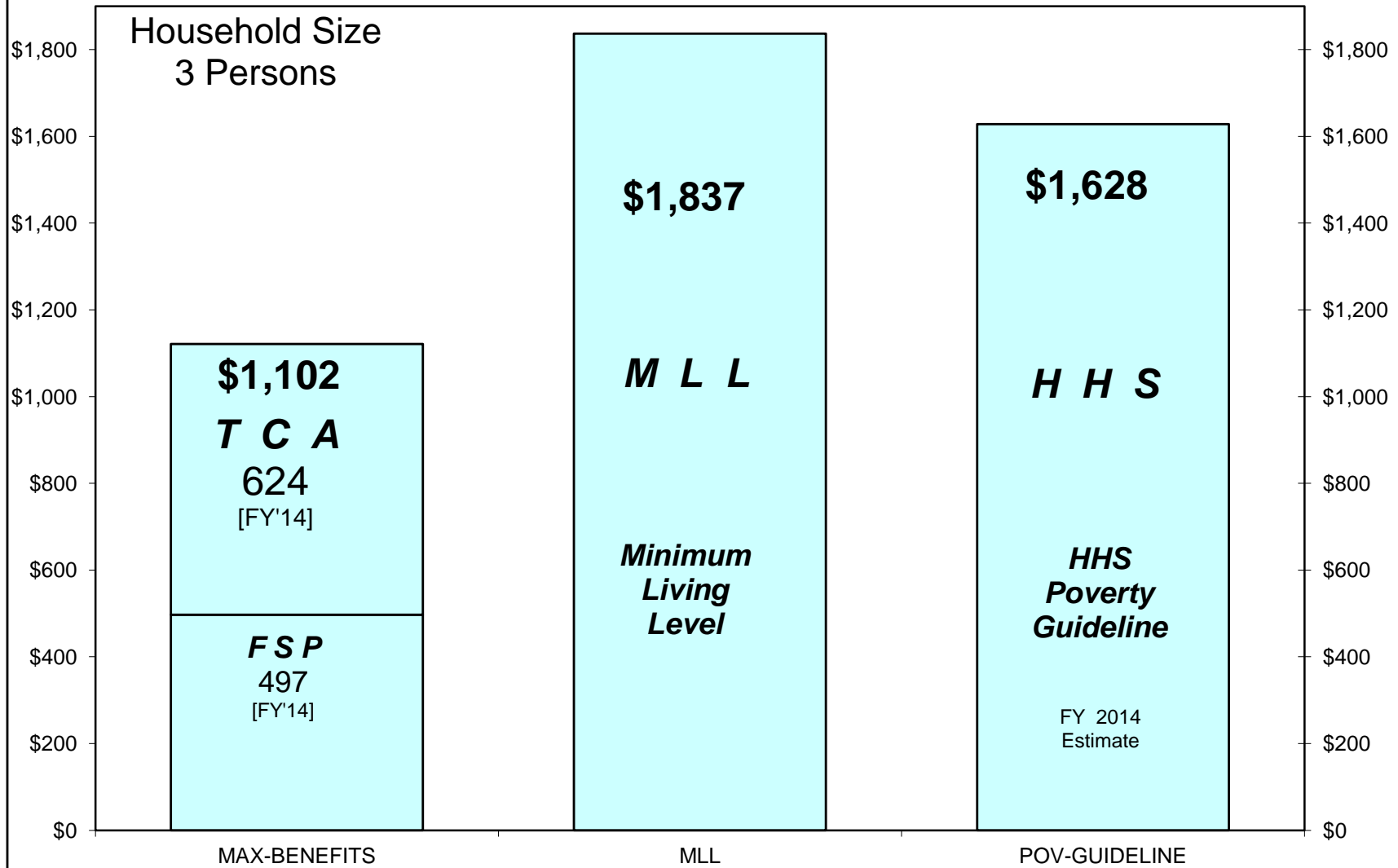
The maximum TCA benefit for a family of three will increase to **\$624** for FY 2014.

ATTACHMENTS

FIP Schedule: The updated maximum benefits for all TCA household sizes, effective November 1, 2013 are presented in the **FIP Schedule**.

History of Maximum Allowable Payments: The chart shows the maximum allowable grants for both TCA and FSP for FFY 2002 through FFY 2014. The table shows the grants for households of one through five persons, inclusive.

Table 5 TCA & FSP MAXIMUM GRANTS, FFY 2014



FY 2014 FIP Schedules

Effective:
November 1, 2013

Household Size	Allowable Payment	Increase Over FY 2013
1	\$282	\$22
2	\$559	\$43
3	\$624	\$48
4	\$755	\$58
5	\$875	\$67
6	\$962	\$74
7	\$1081	\$83
8	\$1191	\$92
9	\$1285	\$99
10	\$1389	\$107
11	\$1516	\$117
12	\$1586	\$122
13	\$1683	\$129
14	\$1782	\$137
15	\$1884	\$145
16	\$2006	\$154

Allowable Payment Room & Board Schedule	Total Children With One Caretaker
\$559	1
\$624	2
\$755	3
\$875	4
\$962	5
\$1081	6
\$1191	7
\$1285	8
\$1389	9
\$1516	10
\$1586	11
\$1683	12
\$1782	13
\$1884	14
\$2006	15

T C A & F S : HISTORY of MAXIMUM ALLOWABLE PAYMENTS

For H\Hld=3		FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010	FFY 2011	FFY 2012	FFY 2013	FFY 2014
TCA/FSP Max MLL Pct of MLL		848	875	889	957	991	1,037	1100	1100	1100	1102	1121
		1406	1460	1517	1569	1624	1700	1708	1726	1773	1806	1837
		60.3%	59.9%	58.6%	61.0%	61.0%	61.0%	64.4%	63.7%	62.0%	61.02%	61.02%
HHld & Prog		FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010	FFY 2011	FFY 2012	FFY 2013	FFY 2014
1	TCA	213	216	220	247	255	259	259	259	259	260	282
1	FSP	141	149	152	155	162	176	200	200	200	200	189
1	TOTAL	354	365	372	402	417	435	459	459	459	460	471
2	TCA	376	380	386	433	446	453	453	453	453	455	559
2	FSP	259	274	278	284	298	323	367	367	367	367	347
2	TOTAL	635	654	664	717	744	776	820	820	820	822	906
3	TCA	477	482	490	549	565	574	574	574	574	576	624
		+4	+5	+8	+59	+16	+9	+0	+0	+0	+2	+48
3	FSP	371	393	399	408	426	463	526	526	526	526	497
		+5	+22	+6	+9	+18	+37	+63*	+0	+0	+0	-29
3	TOTAL	848	875	889	957	991	1,037	1,100	1,100	1,100	1,102	1,121
4	TCA	577	583	592	664	684	695	695	695	695	697	755
4	FSP	471	499	506	518	542	588	668	668	668	668	632
4	TOTAL	1,048	1,082	1,098	1,182	1,226	1,283	1,363	1,363	1,363	1,365	1,387
5	TCA	668	675	686	769	792	805	805	805	805	808	875
5	FSP	560	592	601	615	643	698	793	793	793	793	750
5	TOTAL	1,228	1,267	1,287	1,384	1,435	1,503	1,598	1,598	1,598	1,601	1,625

* ARRA increase effective
04/2009 to 10/2013